



January 21, 2022

Joint Committee on Financial Services
The General Court of Massachusetts
24 Beacon St
Boston, MA 02133

RE: Special Commission on Auto Body Labor Rates, Public Meeting 1/25/22

Dear Representative James Murphy, Senator Brendan Crighton, and members of the Special Commission on Auto Body Labor Rates,

Thank you for forming this commission, and for listening to our concerns regarding this matter. We (Today's Collision Repair Centers) currently own and operate four auto body shops in the Greater Boston area, with locations in Malden, Chelsea, Stoneham and Danvers, and employ a total of 70 team members. Having been active in the collision repair industry for over 33 years, we take pride in our reputation for exceptional customer service, quality repairs and our ability to continuously adapt and grow within an ever-changing industry.

Over the last 30 years, auto body repair shops in Massachusetts have experienced minimal increase in the labor rate that is paid by insurance companies for our services. The labor rate currently paid does not accurately reflect inflation, cost of living or the cost of doing business. Additionally, vehicles have changed much more in the last 5 years than they have in the past 25 years, and there are substantial requirements for on-going training and investment in equipment to repair these newer, sophisticated vehicles. The added cost to properly repair this new technology has not been reflected in the rates in which Massachusetts consumers are reimbursed.

We have reached a point where the consumer will need to cover the difference "out-of-pocket" to enable auto body shops to stay in business. This is discouraging, since insurance companies continue to raise the rates they charge consumers year after year.

The Commission will notice, after reviewing the labor rates across other states, that Massachusetts has one of the lowest rates in the country, yet is one of the top 10 most expensive states in which to live.

The current MA rate is immensely understated, and does not represent the cost of doing business. As it stands today, it barely covers the technicians' pay. The other business elements that are not covered by this rate, but are necessities to successfully operating an auto body repair business include:

- Employee Benefits such as Health, Dental, 401K, Paid Time Off

- Salaries for other job functions beyond the technician such as:
 - Customer Service Representatives
 - Estimators
 - Accounting / Billing Department
 - Detail Staff
 - Parts Department Personnel
 - Cleaning Team
 - Marketing
 - Human Resources
- Building Expenses such as Rent, Heat, Electric, Phone
- Equipment
- Licensing
- Training
- Workers' Compensation
- Insurance
- Taxes
- Website and Advertising Expenses
- Professional Services such as Taxes, Legal, Consulting, IT

Insurance companies must pay a fair and reasonable price to the consumer for having their vehicle repaired. If auto body shops need to charge the difference between the 'insurer paid' labor rate and the 'true cost' labor rate to the consumer, we should realize that the 'insurer paid' labor rate is not fair nor reasonable.

By creating the Special Commission on Auto Body Labor Rates, the Joint Committee on Financial Services has given the collision repair community a voice. We are thankful for your reviewing the disparity in labor rates, and for the opportunity to explain how this affects auto body shops in Massachusetts such as ours.

We are happy to speak further on the matter. Please reach out to Bobby Cobb at Bobby@todayscollision.com or 781-321-6080 ext. 311 should you need additional information.

Thank you again for this opportunity.

Sincerely,

Bobby Cobb & Kevin Kyes
Owners, Today's Collision Repair Centers